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Political accountability and performance audit: the case of the auditor general in Norway

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Performance audit: accountability and usefulness.

The case of the Auditor General in Norway

Forthcoming in "Public Administration" in 2013

Introduction

In 1997, Power described a development towards an audit society. His ideas and hypotheses have subsequently been discussed by himself and other authors (Bowerman et al. 2000; Monfardini and Maravic 2012; Power 2003a; 2000; 1997; Power 2003b). The development towards an audit society is seen as a consequence of New Public Management (NPM). The NPM 'regime' has led to increased delegation which in turn has resulted in more use of audit and control mechanisms (Hood 1991). Audits and evaluations have become important tools for providing information about how public money is spent (Christensen et al. 2002; Benish and Levi-Faur 2012; Hood 1991; Johnsen et al. 2001; Ling 2007; Pollitt and Bouckaert 2004; 2005; 2003a; 2000).

It is often contended that performance audit impacts upon and contributes to the effectiveness, the efficiency and the accountability of the public sector, although we have little evidence-based knowledge to support these claims (Bovens et al. 2008; Weets 2011). Thus far, only a few academic studies have been conducted in which the impact of performance audits has been examined (De Lancer Julnes 2006; Morin 2001; Van Loocke and Put 2011). In this article, I will therefore use the case of Norway to examine the influence of performance audit by analysing data from a survey of 353 civil servants who have experienced one or more performance audits. The research questions are:

- To what degree do auditees perceive performance audit as helpful and to what degree are the reports used to hold the minister to account?
- To what extent do auditees perceive performance audits used to hold the minister to account as more or less helpful?

- What can explain variations in the political accountability from and the helpfulness of the audit?

In this article ‘holding to account’ is understood as the ministries obligation to answer for the execution of their responsibilities to Parliament (Bemelmans-Videc et al. 2007, p.241).

Performance audit reports can be used to hold the minister accountable in various ways. This should lead to changes and improvements in the audited entities. But the reports do not always get a lot of attention. Still they can lead to improvements if the auditees consider them helpful. Thus the first research question focuses both on helpfulness and accountability.

The concept of ‘helpfulness’ is based on the respondents’ perception of the usefulness of the particular performance audit(s) they have experienced. ‘Helpfulness’ is different from ‘actual change’ or ‘improvement’ in the audited entities. The auditees’ personal perception of the usefulness of the performance audit(s) is a more valid measure than their’ perception of ‘improvements’ that may require additional evidence to establish what actually took place.

The auditees’ are embedded in institutions framing their experiences. The auditees’ perception of helpfulness and their construction of their own reality guide them in their choices of action. Their perceptions are filtered through cultural-cognitive ‘instruments’. The actions that follow will depend on the actors’ interpretation (Thornton and Ocasio 2008). At the same time research substantiates that audit results are more likely to be used if auditees consider them helpful (Lonsdale et al. 2011).

Background

Performance audit has developed over the last 30 years (Lonsdale et al. 2011) and is conducted by organizations on different governmental levels, such as Supreme Audit Institutions (SAIs) at the national level and local audit institutions at the regional and municipal levels. Performance audit is part of the state accountability apparatus and focuses on specific topics, such as the management of a service or the implementation of a programme (Keen 1999). The output of the audits constitutes reports that, in most cases, are sent to Parliament. The audit institutions' mandate is to establish whether public policies, programmes, projects or organizations have operated with due regard to economy, efficiency, effectiveness and good management practice (Nutley et al 2012, Pollitt et al. 1999).

Performance audit has different names in different countries (performance evaluation, value for money auditing, comprehensive auditing etc.) and is a contested technology. There have been disputes over the mandate of performance audit in several countries, pertaining to whether effectiveness should be included in the mandate or not. This has led to clashes with state or local government (Guthrie and Parker 1999; Jacobs 1998; Radcliffe 1998).

Like many SAIs, the Norwegian Office of the Auditor General (NOAG) increased its' importance with performance audit, but became at the same time more controversial and is perceived by some as a political player (Christensen et al. 2002). Even though contested, the NOAG is committed to the performance audit goal of obtaining information about results and policy outcomes, the accountability for fairness and equity still remaining important (Arthur et al. 2012; Aucoin and Heintzman 2000; Behn 2001; Bovens 2007; Everett 2003).

The NOAG initiates most of its own audits, has an independent status and reports the results of its auditing and monitoring activities to the Norwegian Parliament (NOAG 2011). The ministries are invited to comment on the NOAG's findings and conclusions before a report is sent to Parliament. Subsequently the final report, including the comments of the ministries, is submitted to a permanent supervisory committee in the Norwegian Parliament, established in 1993: the Standing Committee on Scrutiny and Constitutional Affairs (the control committee), which then reviews it and submits recommendations to the Parliament.

There are calls for additional evidence on the impact of performance audit. In a review of existing research on the subject, only 14 studies pertaining to state audit were found. In these studies, impact was primarily defined as instrumental. Instrumental impact is more short-term and easier to measure than conceptual and interactive impact, which is deemed harder to grasp since it entails more long-term consequences that might be hard to single out (Lonsdale et al. 2011).

Many of the studies on the impact of performance audit are based on the perceptions of those audited Morin (2001). Alwardat suggested that the auditees' perceived utility of performance audit depend on their expectations, their view of the auditors expertise, the materiality of the auditor findings and the truth and fairness of the reports (Alwardat 2010). Several authors also problematized the independent role of auditors as being an obstacle to impact because stakeholder involvement is associated with greater utilization (Reichborn-Kjennerud and Johnsen 2011; Vanlandingham 2011). Justesen and Skærbek (2010) examined how accountability mechanisms contributed to the auditors' impact and suggested that these are forceful mechanisms in making organizations implement changes. Still they questioned whether the changes necessarily improved matters. Other researchers have focused on

learning processes from and success factors for performance audit stressing the importance of the compatibility of the opinions of the auditor and the auditee (De Vries et al. 2000; Van der Meer 1999). Lapsley and Pong (2000) based the assessment of impact on the opinion of the auditors themselves. There is also some research on the impact of audit institutions at the local level (Johnsen et al. 2001; Tillema and ter Bogt 2010; Weets 2011).

Theory

On the relationship between the political accountability and the helpfulness of audit

There is a conflict inherent in the performance audit mandate. Audit institutions are supposed both to improve operations and to enhance accountability, the prime purpose of performance audit being accountability, while learning is an important secondary goal. Still, a logical link between account giving and performance has not been demonstrated (Dubnick 2005; Funkhouser 2011; Lonsdale et al. 2011, p.315). Put (2011) states that the improvement agenda is clearly incompatible to demands for accountability. Accountability is based on clear norms whereas improvement is dependent on explanation. At the same time reports based on explanations might be conceived as less legitimate. This conflicting agenda creates dilemmas for auditors in practice (Reichborn-Kjennerud and Johnsen 2011).

According to many scholars, there is an accountability paradox: enhanced accountability can diminish or impede organizational performance. If audit leads to gaming and defensiveness and excessive caution it can discourage innovation and ignore results (Behn 2001; Bemelmans-Videc et al. 2007). Some authors therefore argue that the auditors need to review their conception of accountability in order to emphasize learning in the audited organizations (Behn 2001; Bovens 2007; Gendron et al. 2007; Lonsdale and Bechberger 2011; Mohan and

Sullivan 2006). A prerequisite for audit to contribute to learning and improvement is that it is oriented towards improved performance and results instead of compliance with rules. This should ensure better public services (Bemelmans-Videc et al. 2007). Still performance improvement can also occur just as a result of improved accountability (Furubo 2011).

Through the use of an analytical model of characteristics and barriers associated with learning from evaluation (Taut and Brauns 2003), many factors were found that would obstruct learning, as well as a few that would enhance learning in the case of performance audit (Van Loocke and Put 2011). Funkhouser (2011) nevertheless argues that there are mechanisms by which accountability can improve performance, notably through public dialogue and organizational learning. An audit might reveal new facts that trigger debates and lead to a shift in paradigms. It might also provide new information that will lead auditees to see solutions in a new light. Leaders in the public sector will feel the pressure from accountability both from elected representatives and their superiors, and positive consequences can come of this in terms of prevention, increased political competition and more efficient government (Batac and Carassus 2009; Bovens 2005; Johnsen 2003; Mulgan 2000).

The hypothesis below tests the proposition of the accountability paradox:

H1: The auditees will perceive performance audit as less helpful when the reports are used to hold ministers accountable

Explanations for variations in the political accountability from and the helpfulness of the audit

A rational-instrumental perspective

The SAIs' increased use of evaluative methods, linked to the managerial trend of NPM, (English 2003; Everett 2003) is based on rational-instrumental theories. These theories assume that actors and organizations are striving to obtain goals based on rational calculation of available alternatives and consequences (March and Olsen 1989). An assumption in NPM is that of a chain of principal and agent relations where the principal controls the agent. In this chain of control, the Parliament is the agent of the people and the government is the agent of the Parliament. The SAI serves the Parliament and has an administrative role in controlling public administration on its' behalf (Lægreid 2012). To attain goals in a rational way, the SAI must be able to control those that are set to achieve them. Different mechanisms are at work here, including social influence mechanisms (Dahl and Lindblom 1953; Jørgensen 1987). Expert power can be classified as one such mechanism (Raven 1992)

The SAIs' auditors frame themselves as experts (Benford and Snow 2000) and are expected to have the competency to objectively assess the quality of data and establish certainty. The auditees' perception of the SAI can therefore influence the auditees' opinion of the helpfulness of their reports (Lefsrud and Meyer 2012; Porter 1995). This is measured in the hypothesis below.

H2: Whether the audited civil servants think of the performance audit as helpful will depend on their perception of the SAI in contributing to transparency, improvements and prevention of fraud.

The expertise also has to be supported in the quality of their work. The hypothesis below tests this proposition:

H3: The more positive perception the civil servants have of the quality of the performance audit report, the more they will think of it as helpful

The SAIs have a goal of contributing to improvement in the management of public affairs. It expects improvement to follow from its detection of deviance from norms. The ministries are expected to find reports helpful in their quest for learning and improvement of operations. This is an implicit assumption of the Management by Objectives and Results system of the Norwegian public administration (Lægreid et al. 2006). It is the ministries that are expected to respond to and make use of the reports. I therefore hypothesize that they find them more helpful than subordinate agencies (Funkhouser 2011).

H4: The civil servants in the ministries will think performance audit is more helpful than will those working in subordinate administrative levels

The auditees' actual experience with performance audit also matters. The causal direction might work both ways. As the hypothesis below states, positive experiences with the performance audit will enhance the perception of helpfulness, but organizational learning might likewise take place if the report is conceived as helpful (van der Knaap 2004).

H5: Experiences with performance audit enhancing systems, policies and competencies will increase the audited civil servants' perception of helpfulness

Implicit in the control-system is its contribution to accountability. In the principal-agent relationship, Parliament holds the government accountable. This happens when politicians and the control committee use the reports to hold the minister to account. The hypotheses below test these propositions:

H6: The more pressure from the politicians, the more the audited entities will feel that the minister is held accountable.

H7: The more demands from the Standing Committee on Scrutiny and Constitutional Affairs, the more the audited entities will feel that the minister is held accountable.

As it is the ministries that are addressed in the reports, and thus the principals' subject of control, I would expect the latter to be more aware of the accountability dimension than subordinate entities:

H8: Civil servants in the ministries will be more inclined to find that performance audit is used to hold the minister accountable than subordinate entities.

Institutional theory

Contrary to rational-instrumental theories, institutional theories base their explanations more on symbolic matters and appropriate conduct than on rational-instrumental theories and the emphasis of these on actors' calculation of cost and benefit (March and Olsen 1989). Within institutional theory, an important goal of actors and organizations is their own survival and thus the legitimacy of their own institution. The public debate is an important arena for this fight over legitimacy. Changes in the audited entities will occur as a response to mimetic

isomorphic forces (as opposed to the more coercive forces of parliamentary committees and politicians within the control system). The media, interest groups and the SAI are all part of the audited entities' institutionalized task environment that exerts pressure on them (Meyer and Rowan 1977). Bovens describes this pressure as social accountability mechanisms which are more horizontal and voluntary. This pressure is measured by the hypotheses below (Bovens 2007).

H9: The more debate in the media, the more the audited entities will feel that the minister is held accountable.

H10: The more other actors become interested, the more the audited entities will feel that the minister is held accountable.

We know from institutional theory that cultural norms and values developed in the organization's formative years will constrain action (Scott 2008). The formal and informal traditions in the audited entity determine what path the institution follows, and this assumes that reforms and changes are subjected to a "compatibility test" (Brunsson and Olsen 1993; March and Olsen 1989), meaning that the proposed changes, in order to have an impact, must be compatible with the institutions' own opinion about changes that need to be made as well as with their perception of what is appropriate. If this is not the case, the audited entity could be quite resistant to change (Røvik 2007). The hypothesis below tests this proposition of compatibility:

H11: The more the audited civil servants agree with the SAI's audit criteria and the more they are allowed to influence the audit process, the more helpful they will find the performance audit

Method

This study was conducted as an independent research project. The data collection method adopted was that of a survey. Inquiries were sent to the public institutions that had experienced performance audit between 2005 and 2010. I did not go further back in time as respondents might have problems recollecting the performance audit or they could have changed their place of work. These risks increase the further back in time you go. The institutions that received inquiries were asked to provide the e-mail addresses of employees who had experienced performance audit. Inquiries were then sent to the employees explaining the purpose of the study and informing them of their rights. Subsequently, a web-based questionnaire was sent to the employees. Reminders were sent out to respondents who had not answered by a certain deadline.

The questionnaire was designed in such a way that the respondents were asked to answer questions pertaining to the particular performance audit(s) they themselves had experienced. In the questionnaire, there were questions seeking to reveal both the civil servants' perceptions of performance audit and their professional backgrounds. The perception variables consisted of several assertions with the aim of illustrating underlying dimensions of perception. The questions were designed based on previous research (Morin 2004; Pollitt et al. 1999; Power 1997) and validated by research colleagues, ministry and agency employees as well as one director general and two methodology experts from the NOAG. A pilot study was conducted with nine respondents prior to sending out the survey in spring 2011.

A total of 520 questionnaires were distributed. After screening out those who were unable to answer because of absence, sickness or who were wrongly chosen for participation, 471 valid e-mail addresses remained. The number of responses was 353, corresponding to a response rate of 74 per cent. A five category scale was selected for the survey, as well as a sixth ‘I don’t know’ category.

One limitation of the research design might be that the point of view reported is exclusively that of the audited civil servants. It is not an objective assessment of the quality and usefulness of the performance audit, but rather an account from those affected by them. It can be, and has been, questioned whether asking the auditees themselves about the impact of performance audit is an appropriate research method. Locke and Put (2011) argue that the auditees’ perception does not measure actual impact, but is an intermediate factor. The perception of the auditees is important, however. Literature on organizational learning and the use of programme evaluation stresses the importance, for the use of evaluation results, of the relation to those evaluated. If they have positive attitudes towards evaluation and share the evaluators’ concept of social reality, evaluation results are more likely to be used. This can also be relevant for audit (Lonsdale and Bechberger 2011; Taut and Brauns 2003). It also matters whether those evaluated perceive control measures as controlling or supportive. Research shows that the experience of measures as controlling reduces performance, whereas the experience of measures as supportive increases performance (Andersen and Pallesen 2008; Frey and Jegen 2001).

A majority of the civil servants who answered the questionnaire were middle managers (54 per cent), followed by senior civil servants (35 per cent) and then top executives (11 per cent). Some 60 per cent of the respondents worked in a ministry or an agency (approximately 30 per

cent in each). The rest worked in regional and local offices, government owned corporations, counties and municipalities.

Before starting the analysis of the data, data screening was necessary. This includes cleaning and treating the data of outliers and missing data (Meyers et al. 2006). The “I don’t know” values were defined as missing in the final dataset (Allison 2002; Meyers et al. 2006; Tabachnick and Fidell 2007). This reduced the dataset to 336 respondents. I further reduced the dataset to include only the respondents that had been most closely involved in the performance audit process with the SAI. I did this by including only respondents who had answered more than 4 out of 8 questions concerning their involvement, the reasoning being that answering more than half of the questions concerning involvement proved them competent enough to be included. Thus the final dataset includes 215 expert respondents, amounting to 64 per cent of the total dataset.

Thorough descriptive analysis was conducted before running factor and regression analysis. Bivariate correlations as well as a one-way ANOVA were also conducted. Significance levels were set at 0.05

Most of the questions in the questionnaire (except the background variables) were designed to measure concepts pertaining to underlying dimensions of performance audit. I conducted a factor analysis to estimate these factorial components.

The causal influence between the perception variables and the dependent variables could work both ways. The auditees might have thought of the reports as helpful because they had a positive perception of the NOAG and their reports, as well as the other way around. Still, it might be argued that the auditees’ have a preconception of the reports prior to making a

judgment about them. Therefore the major causal influence would presumably start with a certain perception and end in a judgement of the reports as useful or not.

Independent of the causal direction, the data provides interesting evidence because it informs us about particular aspects of the performance audit that are possible to control. Performance management and evaluation literature demonstrate that the perception of the professionals is decisive as to whether systems and reports are actually used, and not manipulated (de Bruijn 2002; Taut and Brauns 2003).

Independent variables

In the regression analysis, I used factor scores from the factor analysis as independent variables (see table 1). Factor scores are estimates of the values of the factorial components. The Chronbach alpha measure was used to check the internal reliability of these components. Only factors with Chronbach alpha equal to or higher than 0.70 were selected for subsequent analysis. From the factor analysis I had four factors measuring underlying dimensions of performance audit.

Table 1. Factor analysis: Four independent perception variables

Rotated Component Matrix^a				
	Component			
	1	2	3	4
Comments regarding audit questions were sufficiently taken into account	.763	.308		
Comments regarding risk assessments were sufficiently taken into account	.802			
Comments regarding OAG assessments were sufficiently taken into account	.652	.452		
Comments regarding OAG interpretation of results were sufficiently taken into account	.657	.410		
Comments regarding audit evidence were sufficiently taken into account	.701			
Comments regarding audit criteria were sufficiently taken into account	.738			
Comments regarding meeting minutes from interviews were sufficiently taken into account	.577			
Agree with audit criteria	.683	.304		
Agree with OAG assessments	.445	.612		
The performance audit report held good quality	.384	.726		
Concrete conclusions		.788		
Clear link between audit criteria, facts and assessments		.785		
Report proved good sector expertise with the auditors	.311	.678		
Methods held scientific/good quality	.321	.645		
Increased interest to learn from best practice			.758	
Policy areas were given priority			.791	
Made changes to systems that previously didn't work very well			.778	
The OAG promotes transparency and prevents fraud				.881
The performance audits of the OAG contribute to improvements			.324	.734

N=215

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Rotation converged in 5 iterations.

Method for treating missing values: Replace with mean

The estimate of the first factor, used in H11, measures what influence the auditees had in the audit process and the extent to which they agreed with the auditors' criteria. The estimate of the second factor used in H3 measures the perception of the reports quality in terms of the auditees' opinion of methodology, quality and assessments of the report. These factors are not objective criteria, but are based on the audited civil servants' own assessment. Quality can be assessed in a number of ways. The auditors use standards, peer reviews and external

reviews to assess quality. In recent years, however, greater attention has been given to the expectations of users, as opposed to more traditional interpretations of quality (Wilkins and Boyle 2011). The estimate of the third factor used in H5 measures the auditees' opinion of how the performance audit report contributed to positive changes and improvements in their organization. The fourth factor used in H2 measures the auditees' opinion of the NOAG as an institution: whether it contributes to improvement, transparency and fraud prevention.

The background variable used in the regression analysis was the variable "administrative level". This variable was used in H4 and H8. Furthermore the variables, "The media showed an interest in the performance audit", "The ministry and/or the government were put under pressure from political opponents as a consequence of the media interest", "The performance audit has been used to further different actors' interests" were used in H9, H6 and H10. "It contributed to changes that the Standing Committee on Scrutiny and Constitutional Affairs demanded measures as a response to the performance audit" was used in H7.

The dependent variables: different dimensions of impact

The performance audit reports issued by the NOAG serve two purposes. One is to hold ministries and agencies accountable for their administrative actions and the other is to contribute to improvement in the audited entities. The improvement dimension has recently been further stressed with the adoption of new international standards from The International Organization of Supreme Audit Institutions (INTOSAI 2011), which operates as an umbrella organization for the external government audit community. Two variables make up the measure of impact of the performance audit in this study: how the respondents perceived that the audit was used to hold the ministry and agencies accountable for their actions, and how

the respondents perceived that the performance audit was useful, that is, contributed towards improvement. These two variables reflect the two main objectives of performance audit.

The analysis revealed that 57 per cent of the audited civil servants found the performance audit useful to a large or a very large extent, whereas only 20 per cent found it useful to a little or very little extent (see the table 2).

Table 2. To what extent did you experience that the performance audit was useful/ used to hold the minister to account (per cent)

	Useful	Used to hold to account
To a little or very little extent	20	47
Not little nor large	24	20
To a large or very large extent	57	34
Total	100	100
Total N	213	172

Table 2 also shows that only 34 per cent of the respondents answered that the performance audit was used to hold the minister accountable to a large or very large extent. More respondents, 47 per cent, answered that the performance audit was used to hold the minister accountable to a little or very little extent. The non-significant correlation of 0.07 indicates that the variables of usefulness and accountability are unrelated. There is therefore no tendency for civil servants to think of reports used for accountability purposes as less helpful. Thus H4 has to be rejected.

Several audit and evaluation researchers argue that the improvement and accountability purposes are at odds and may be incompatible (Armytage 2011; Poulsen 2009; Reichborn-Kjennerud and Johnsen 2011). The evidence from this research, on the contrary, indicates that there is no such accountability paradox.

Next is an analysis of how the independent variables may explain variation in the two dependent variables.

Multivariate analysis

This section analyses how the scores on the different independent perception and background variables correlate with the dependent variables. I first examined the bivariate relations between the independent variables and the dependent variables. After the bivariate analysis, I performed two regression analyses. I did one regression analysis for each dependent variable. Independent perception and background variables from the bivariate analyses were selected into the regression analyses based on the hypotheses, the significance and strength of the relations. If independent variables correlated more than 0.60 (colinearity), one of them was removed from the regression analysis.

Table 3 Multiple regression of perceived usefulness of performance audits

	Standardized	t	Sig.
	Coefficients		
	Beta		
Administrative level	-.009	-.199	.843
Influencing and agreeing with the NOAG (factor score 1)	.369	8.894	.000**
Quality of the report (factor score 2)	.407	9.732	.000**
Learning and improving from performance audit (factor score 3)	.521	12.716	.000**
Positive attitude towards the NOAG (factor score 4)	.243	7.186	.000**

N=215

Adjusted R²=0,656

F Statistics=82,586

Significance of F = 0,000

Notes: **Significant at the 0,01-level; *significant at the 0,05 level

The variable “administrative level” is dichotomized. 1 stands for civil servants in the ministries and 0 stands for subordinate entities.

Table 3 demonstrates that the independent perception variables were most important in explaining the helpfulness of the performance audit. H11, associated with the audited civil servants' influence and agreement with criteria, was supported, indicating that institutional explanations contribute to the understanding of the helpfulness of performance audit. H3 on the auditees' perception of the report, H5 on the auditees' experience with the performance audit and H2 on the auditees' perception of the NOAG were also supported. This indicates that the rational-instrumental perspective also matters in understanding the helpfulness of performance audit. The first hypothesis, H4– that the civil servants in the ministries would think of performance audit as more helpful – was rejected, indicating that the auditees administrative level does not matter when controlled for these perception variables.

Table 4 Multiple regression of civil servants' perception of the performance audits' influence on holding the minister accountable

	Standardized Coefficients		t	Sig.
	Beta			
Administrative level	.171		3.263	.000**
The performance audit has been used to further different actors interests	.152		2.669	.008**
The media showed an interest in the performance audit	.187		3.106	.002**
The ministry and/or the government administration were put under pressure from political opponents as a consequence of the media interest	.378		6.506	.000**
The Committee demanded measures	.211		3.971	.002**

N=215

Adjusted R²=0,420

F Statistics = 31.992

Significance of F=0,000

Notes: **Significant at the 0,01-level; *significant at the 0,05 level

The independent variables "Administrative level" is dichotomized. "Administrative level":1 stands for civil servants in the ministries and 0 stands for subordinate entities. "Work tasks":1 stands for top executive, 2 stands for middle manager and 3 stands for caseworker

The rational-instrumental perspective was most important to understand whether reports were used to hold the minister to account. The regression analysis in table 4 indicates that the civil servants in the ministries tend to think that the performance audit was used to hold the minister to account more than subordinate entities did (H8). Hypotheses 6 and 7 concerning the politicians and the control committee's importance in holding the minister to account were also supported. This worked through the media and then through pressure from political opponents, but also through demands from the Committee. The institutional hypotheses, 9 and 10, on the media and the use of reports to further different actors' interests was also supported. The relation was less strong, but still indicates that institutional processes of social accountability are at work. See table 5 for a summary of the hypotheses and results.

Table 5. The hypotheses and the empirical support

	Hypotheses	Support
Accountability versus usefulness	H1: The auditees will perceive performance audit as less useful when the reports are used to hold ministers accountable	No
Rational-instrumental	H2: Whether the audited civil servants think of the performance audit as useful will depend on their perception of the SAI in contributing to transparency, improvements and prevention of fraud.	Yes
	H3: The more positive perception the civil servants have of the quality of the performance audit report, the more they will think of it as useful	Yes
	H4: The civil servants in the ministries will think performance audit is more useful than will those working in subordinate administrative levels	No
	H5: Experiences with performance audit enhancing systems, policies and competencies will increase the audited civil servants' perception of usefulness	Yes
	H6: The more pressure from the politicians, the more the audited entities will feel that the minister is held accountable	Yes
	H7: The more demands from the Standing Committee on Scrutiny and Constitutional Affairs, the more the audited entities will feel that the minister is held accountable	Yes
	H8: Civil servants in the ministries will be more inclined to find that performance audit is used to hold the minister accountable than subordinate entities	Yes
Institutional	H9: The more debate in the media, the more the audited entities will feel that the minister is held accountable.	Yes
	H10: The more other actors are interested, the more the audited entities will feel that the minister is held accountable.	Yes
	H11: The more the audited civil servants agreed with the NOAG's audit criteria and the more they were allowed to influence the audit process, the more useful they perceived the performance audit to be	Yes

Discussion

The analysis indicates that both rational-instrumental and institutional perspectives explain, albeit differently, the helpfulness of and the accountability from performance audit.

Accountability mechanisms seem to work according to the rational-instrumental assumptions.

The utility (and learning) dimension work according to both assumptions.

Prior research shows that the content of reports, the auditees' perception and expectations of the performance audit and their communication with the auditors, are important for the reports to be perceived as helpful (Alwardat 2010; Put 2011; Reichborn-Kjennerud and Johnsen 2011; Vanlandingham 2011). Van de Meer and De Vries (2000) also established that the impact of the SAIs depends on the audited civil servants' agreement with conclusions. My research supports these findings. Both the content of the reports in terms of their perceived quality, clarity and methods, the auditees' experience, as well as the report's compatibility with the civil servants' own perceptions of assessments and audit criteria all contribute towards explaining the degree to which the performance audits were considered helpful. These findings are also consistent with literature on knowledge and evaluation use (Amara et al. 2004). When controlled for these factors, administrative level did not matter. These factors are therefore more important than the location of the auditees' place of work, whether in ministries or in subordinate entities. See table 5 for hypotheses and empirical support. The analysis indicates that the audited institutions may be more inclined to use the reports if the institutional actors are convinced by the arguments of the NOAG. Responsiveness in the design and process of the performance audit is therefore important if the NOAG wants civil servants to perceive it, and its performance audits, as helpful. If the performance audit is perceived as helpful, the reports might be the starting point for a process of change.

But can performance audit have an impact only if the auditees accept the criteria and conclusions of the SAIs? My results indicate that this is not the case; Reactions from the control committee, the media and the politicians enhanced the tendency that ministers were held to account. Reports used to further different actor's interests also reinforced this tendency. In addition, civil servants in the ministries were more aware of the accountability

dimension than other civil servants. At the same time the perception of usefulness was enhanced if the auditees thought of the SAI as an important institution in preventing fraud, promoting transparency and improvements. It follows that the auditees think the SAI supports desirable values and that it ensures trust in society, which is a prerequisite for a functioning system. The SAI thus has an impact both as a consequence of external pressure and as a consequence of its mere existence as a control body (Furubo 2011).

One has to take into account that these findings are based on the audited civil servants' perception of performance audit and not on actual behaviour. However, perceptions serve as frames for actions, rendering it more likely that certain behaviours are associated with certain patterns of perceptions (Egeberg and Trondal 2011, p. 874).

In the literature, negative consequences of accountability are debated. Does holding to account lead to an overemphasis on critical findings in the reports and ultimately negative consequences in terms of improvement (Justesen and Skærbek 2010)? This research does not indicate that this would be the case. The findings actually show that accountability and utility are dissociated. Thus, reports used to hold to account are not perceived as less helpful. To grasp how the mechanisms of accountability actually work, a more extensive analysis based on additional data might nevertheless be needed. It would then be pertinent to ask how and for what the auditees are held to account, as this might influence their perception of helpfulness and the impact of performance audit (Bovens 2010; Justesen and Skærbek 2010; Power 2003b).

Morin's (2001) research, based on the auditees' opinions, indicates that the reports actually had a small, but perceptible impact on the audited organizations. My analysis confirms that a

majority of the auditees think the reports were useful. This might be a prerequisite for actual improvement to happen in organizations, but this article cannot conclude as to what concrete changes the reports contributed to. The actual product, which is the report, is only the point of departure for a possible change process. To grasp the actual impact of reports, research would need to encompass the content of the reports, the ensuing debate, and what actually happened in the wake of the publication of the reports.

Conclusions

The purpose of the performance audit is to contribute to learning and improvement. The reports are meant to be helpful to the government administration. Based on the assessments in the reports, the audited civil servants are expected to make changes and improve. At the same time, the performance audit is a tool designed to hold ministries and the government administration accountable for government spending and for results.

This study has shown that the ministries and the government administration are perceived by civil servants to be held accountable to some extent, based on performance audit reports, but that this is largely not the case. As many as 57 per cent thought the reports were useful, whereas only 34 per cent claimed that the reports were used to hold to account. There was no correlation between the usefulness and accountability dimensions – the civil servants did not tend to think of reports used for accountability purposes as less useful, but neither did they think of them as more useful. Thus the findings reject the assumption of an accountability paradox, but it also rejects the assumption that accountability enhances performance, as the two variables are dissociated.

Civil servants in the ministries were most aware of the accountability dimension. The minister was held accountable by the media, political opponents, by the control committee and by actors furthering their own interests. Also, when the auditees considered the SAI as an institution that furthered improvement and transparency, this enhanced the civil servants' perception of the reports as useful. This indicates that pressure from relevant institutional actors contributes to the impact of the SAIs.

Both rational-instrumental and institutional variables had a reinforcing effect on the audited civil servants' perception of the helpfulness of performance audit. What mattered was that they were allowed to influence the performance audit process, that they had positive experiences from the process and that they agreed with the audit criteria and the assessments in the report. In addition, their perception of the quality of the reports was important. If they had a positive perception of it, they thought it was helpful.

This article contributes to the literature on the impact of performance audit, but also to the wider discussions on performance management and the use of research and evaluation knowledge. It is especially relevant to evaluations with an accountability approach as it has explored the dilemmas between accountability and organizational learning. It has shown that involvement of the evaluated party, the quality of the report and agreement to assessments are important to perceptions of helpfulness. This does not necessarily run contrary to the accountability dimension. Holding to account also contributes to the impact of the evaluator, in this case the SAI. In addition, the article therefore also informs broader theories on how organizations cope with accountability and institutional pressures.

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